



CITY OF CONCORD

NEW HAMPSHIRE

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Revised and approved 12/2/09

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE MINUTES

October 28, 2009

The meeting was convened at 12:00 P.M. in the Second Floor Conference Room, City Hall, 41 Green Street, Concord, NH 03301.

Present: Jeff Bart, Allen Bennett, Elizabeth Blanchard, Mark Coen, Michael Gfroerer, Todd Haywood, and Janet Sprague

Absent: Dan St. Hilaire and Nadine Salley

Staff: Matt Walsh, Assistant for Special Projects
Joia Hughes, Consultant
Bev Rafferty, Administrative Assistant

Guests: Rosemary Heard, Executive Director, CATCH
Mike Reed, Director of Housing and Development, CATCH

1. Minutes of September 23, 2009 meeting

Allen Bennett made a motion to approve the minutes as submitted; seconded by Mark Coen; motion passed unanimously.

2. January 2010 CDBG Applications:

Joia Hughes briefly reviewed that the City is eligible to apply for Community Development Block Grants twice a year - up to a maximum of \$500,000 a year.

Letters were sent out in August to various agencies in Concord informing them that the City was looking for proposals for the January 2010 round of funding. Two proposals were received: Concord Area Trust for Community Housing (CATCH) and Friends of Forgotten Children (FoFC). Ms. Hughes also noted there was the possibility of one city project - a water line project on Community Drive. A copy of each proposal and Ms. Hughes' mock scoring sheet was included in the agenda package this month.

- **Concord Area Trust for Community Housing (CATCH):** Ms. Hughes noted that CATCH scored slightly higher than the Friends of Forgotten Children. She continued that the maximum number of points is 400 and the 352 scored by CATCH assumed a 3 - 1 match on the funding. The CATCH project is an \$8.9M project. CATCH is seeking \$500,000 in CDBG monies. The project would build 45 rental units in the Theatre Street/Storrs Street area of downtown.

Representatives from CATCH were present today so Chairperson Bart asked them to make their presentation at this time.

Rosemary Heard, President, and Mike Reed, Director of Housing and Development, informed CDAC that this development is part of the larger master plan development with Steve Duprey. There will be 45 rental residential units; preferably 50% of them will be for artists to support the NH Craftsmen. This is a very exciting development from CATCH's perspective. It moves development down further on Main Street. The \$8.9M development has received financial commitment from the Merrimack County Savings Bank. If awarded, there will be \$2M in tax credit sales. Due to timing issues, the NH Housing Finance Authority (NHHFA) TCAP application was withdrawn. There will be \$5.5M in construction costs for site development.

Mike Reed noted most units will be 1 - 2 bedroom units. He noted that young professionals may want the two bedroom units for the extra space they may need. He continued that CATCH is coordinating with Steve Duprey's plan to Planning Board on parking - it will be tied into the office building. CATCH's new development will be LEED certified. There will also be bike racks and seating.

Councilor Blanchard inquired if \$200,000 per unit was typical and Rosemary Heard responded that it would be in line with the Friedman Court project. Mr. Reed informed CDAC this would be a five story steel construction with brick appearance on the outside so it would be a little more expensive.

Ms. Heard noted it is subsidized with tax credits so the rents will be affordable for a period of time.

Michael Gfroerer inquired about the \$1M soft costs and what those included. Mike Reed explained that 60% of CATCH's annual revenues are raised through development fees on real estate development projects. He continued that this is the way these tax credits work. Development fees were discussed further. CATCH further explained the mechanics of the development reserve and noted that these are to be refunded to the developer after a 20 year hold period by the NHHFA. The reserve is held as a surety to help ensure that routine maintenance and capital investments are made to the property when required.

CDAC inquired if a block grant is not applied for or awarded would the development cease and Ms. Heard noted that clearly the grant is a very important part of this development plan.

Discussion returned to the "soft costs". Some members of CDAC were uncomfortable with those numbers. Ms. Heard noted this is the same as was done with the Friedman Court ratio; the same development fees calculation was used and it is done on a sliding scale.

Chairperson Bart inquired about parking supply for the project. Mike Reed noted there is an agreement between the city and Steve Duprey to use a portion of parking located at 6 Theater Street which will be acquired by Steve Duprey from the City. Specifically, there will be ten "24/7" parking spaces and 40 nights/weekends/holiday spaces. Ms. Heard noted a study had been done by Steve Duprey which showed usage very low in that area.

Mr. Bart noted it seemed adequate for nights but not enough during the day and inquired whether CATCH plans on tenants not having a vehicle or tenants taking their vehicles to work during daytime hours. Ms. Heard noted they are trying to create a walking community and Mr. Reed noted there is adequate on-street parking available.

Elizabeth Blanchard inquired about parking demand trends at CATCH's other properties and asked whether the number of parking spaces proposed for the project was adequate. CATCH responded that the number of spaces proposed for this development is typical of other CATCH projects.

Joia Hughes inquired how many units would be handicapped accessible in the new building. Mike Reed answered two are planned to be built as fully ADA compliant units, while others could be modified if need be in the future pending demand.

Michael Gfroerer inquired if the amounts shown were estimates or actual acquisition costs. Mike Reed noted they are locked in and fixed prices already under contract with Merrimack County Savings Bank. Merrimack County Savings Bank is also willing to provide carrying costs in between financing closures.

Ms. Heard thanked CDAC for their time and noted CATCH has always appreciated their support. Ms. Heard and Mr. Reed left the meeting at 12:30 P.M.

- **Friends of Forgotten Children (FoFC):** No one was present at today's meeting due to family issues so Joia Hughes presented their proposal to CDAC.

Ms. Hughes reviewed her report and explained that FoFC is a non-profit agency established several years ago. Their current headquarters located on Bog Road needs considerable renovations. Specifically, the roof needs to be kept cleared off in winter; the furnace needs work, and there is little or no insulation. They have a row of donated freezers lined up along a wall; some of rusty and there is a need for electrical upgrades, commercial dishwasher and shelving and storage. An estimate was put together but as of this date there are no matching funds, however, they do have the means to get the match. An Energy Efficiency grant is one way.

This proposal did not score as high as CATCH's proposal. Public Facilities grants require a 1-1 match where housing does not require that match.

Joia Hughes described some of the programs at FoFC such as parenting classes, sign language, toddler management, etc. Storage is a major problem as the facility currently relies upon a three season porch that is covered in plastic - a trailer would be better but they would rather add on. They do prepare meals for the public there also.

Ms. Hughes also noted that overall this is a great project and it meets the national and state objectives. They do not, however, have a reliable stream of income. The program is run through donations and volunteers and a part-time executive director. Brief discussion was held on services provided, number of meals served, etc.

Ms. Hughes continued that a score above 310 is good and FoFC had a mock scoring of 332. This concluded the presentation of the FoFC's proposal.

At this time CDAC began discussion of the proposals in general. Matt Walsh noted there could be some political issues with the CATCH proposal due to recent discussions between the City Council and CATCH relative to the intermediate future of the Endicott Hotel vis-à-vis the new Theatre Street project and concerns about concentrating too much affordable housing in one area of Downtown. He gave a brief review that CATCH had requested a letter of support from

City Council to the NHHFA for tax credits for this project. However, City Council would not approve such a letter unless CATCH turned the Endicott Hotel into market rate rental units and CATCH denied that request.

The CATCH proposal would score well but some members felt Ward 6 had done its fair share of low/mod housing. The parking was also a concern. Matt Walsh noted that if CATCH does not get support for the grant through the City, they could try to go through Merrimack County. However, they may not be able to get that as the County has not spent enough of its prior grant monies to apply this time.

Chairperson Bart noted that if CDAC supports the proposal today, there is another public hearing before City Council where the conversation regarding the future of the Endicott could be rekindled thus complicating the CDBG application.

Discussion ensued. Some members of CDAC expressed that the CATCH project seems more viable and ready to proceed. However, others expressed a desire to try and support both applications given the FoFC's important mission to the community. It was reiterated that as of the date of the CDAC meeting, FoFC had inadequate match commitments for their project.

CDAC suggested FoFC cutting their expense portion because the smaller the grant the smaller the match.

Michael Gfroerer made a motion that CDAC vote to fund \$50,000 to Friends of Forgotten Children and \$450,000 to CATCH; seconded by Todd Haywood; the vote was 6 for and 1 against - the motion passed.

Staff will prepare the paperwork to get the resolution and cover report to City Council for a December meeting and January public hearing.

3. Second Start Grant: (Due to the time, this item was not discussed at today's meeting.)

4. Revolving Loan Fund:

- Bennett Loan: Joia Hughes reviewed her report to CDAC and explained that Ms. Bennett is requesting \$1,611.15 for weatherization work to be done to the area she utilizes as a bedroom in her home. She is asking for materials cost only as her family will perform the labor. She presently has a loan with the city, is current with her payments, and has requested that the balance of that loan be incorporated into the new loan so she'll only have the one payment. Todd Haywood made a motion to approve the loan; seconded by Mark Coen; motion passed unanimously. Staff will calculate the term of the loan so the monthly payment is approximately what Ms. Bennett is paying now.
- Giosi Loan: Joia Hughes reviewed her report to CDAC and explained that Ms. Giosi is in need of a new furnace system. She noted Ms. Giosi's credit score is high and she does have a lot of credit items but they are all paid current. Ms. Giosi had a prior loan with the city which she paid in full when she refinanced a few years ago. She had supplied one quote in the amount of \$5,895.

Michael Gfroerer made a motion to approve up to \$5,895 but requested two more quotes be provided and stipulated that the final loan amount be sufficient to cover the lowest qualified

bidder for the furnace system; Janet Sprague seconded the motion and it passed unanimously. Staff will contact Ms. Giosi and request two more quotes.

- Revolving Loan Fund Pamphlets: CDAC inquired if there were pamphlets still available to distribute. With the upcoming loan fund appropriation there will be approximately \$400,000 available to lend so we need to get word out to the public that we have money to lend at low interest rates. Staff informed them that pamphlets are available and the pamphlet is located on the city's web site as well. Staff will also discuss possibly placing an ad in the local newspaper.
- Fund 2701 Outstanding Loans Report: Due to the time, Bev Rafferty gave a very brief update on the outstanding loans.

5. Other Business

Bev Rafferty distributed copies of revised appropriation resolutions for the revolving loan fund and the grant repayment account. These resolutions will be presented to City Council at their November meeting and there will be a public hearing held in December to appropriate the funds in both accounts.

6. Adjournment

There being no other business brought before CDAC, and upon a motion duly made and seconded, with unanimous approval, the meeting adjourned at 1:30 P.M.

Respectfully Submitted,

Beverly A. Rafferty
Administrative Assistant